

TESTIMONY OF  
BONNIE D. STEWART  
EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER  
CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
BEFORE THE  
GENERAL LAW COMMITTEE  
MARCH 1, 2022

Honorable Members of the General Law Committee:

Thank you for the opportunity to present today on **HB 5222**, An Act Concerning Paid Solicitors of Charitable Funds and Charitable Organization Transparency. My name is Bonnie Stewart. I am the Executive Director & Chief Executive Officer of the Connecticut Society of Certified Public Accountants (CTCPA). The CTCPA is Connecticut's leading professional CPA organization, with almost 6,000 members throughout the state.

Today, I am requesting language be added to **HB 5222** that would modify when a charitable nonprofit must have an independent audit performed. The language we are recommending would permit charitable organizations with between \$500,000 and \$1,000,000 in gross revenues to have a certified public accountant's audit report or a review report of a certified public accountant. Below is the language we recommend be added to **HB 5222**.

Subsection (b) of section 21a-190c of the general statutes is repealed, and the following is substituted in lieu thereof:

(b) A charitable organization with gross revenue in excess of [five hundred thousand] one million dollars in the year covered by the report shall include with its financial statement an audit report of a certified public accountant. A charitable organization with gross revenue in excess of five hundred thousand dollars but less than one million dollars in the year covered by the report shall include with its financial statement either (1) an audit report of a certified public accountant, or (2) a review report of a certified public accountant. For purposes of this section, gross revenue shall not include grants or fees from government agencies or the revenue derived from funds held in trust for the benefit of the

organization. The commissioner may, upon written request and for good cause shown, waive the audit or review report requirement under this subsection.

As audits are significantly more expensive than reviews, permitting smaller charitable organizations to move to a review would save the charity money. This benefits consumers in at least two ways. First, more of their donations can be spent directly on the organization's charitable purpose. Second, more monies would be available to support programs and the charity's mission. Additionally, adopting this language would reduce some of the burden and workload on charitable staff. This cuts costs for smaller nonprofits, again allowing more funds to be allocated to their objectives and purpose.

I appreciate your consideration of this proposal and urge you to adopt the language provided.

Thank you for your time.